

**AUDITED FINANCIAL STATEMENT  
AND SUPPLEMENTARY INFORMATION**

**CITY OF ST. MARYS, KANSAS**

**December 31, 2017**

Reese & Novelly, PA  
*Certified Public Accountants*  
St. Marys, Kansas

# **Audited Financial Statement and Supplementary Information**

**City of St. Marys, Kansas**

**Year Ended December 31, 2017**

Independent Auditor's Report.....	1
-----------------------------------	---

## **Regulatory Basis Financial Statement**

Summary Statement of Receipts, Expenditures and Unencumbered Cash.....	3
--	---

Notes to Financial Statement .....	6
------------------------------------	---

## **Regulatory – Required Supplementary Information (Regulatory Basis)**

Schedule 1: Summary of Expenditures - Budget and Actual .....	17
---	----

### **Schedule 2: Schedules of Receipts and Expenditures - Budget and Actual:**

General Fund .....	18
--------------------	----

Bond and Interest Fund .....	19
------------------------------	----

#### **Special Purpose Funds:**

Special Highway Fund .....	20
----------------------------	----

Special Park and Recreation Fund .....	21
--	----

Fire Equipment Fund .....	22
---------------------------	----

County Sales Tax Fund .....	23
-----------------------------	----

Summary of Non-budgeted Special Purpose Funds .....	24
---	----

#### **Business Funds:**

Electric Utility Fund .....	25
-----------------------------	----

Water Utility Fund .....	26
--------------------------	----

Sewer Service Fund .....	27
--------------------------	----

Sewer Debt Service Reserve Fund.....	28
--------------------------------------	----

Golf Course Fund.....	29
-----------------------	----

Refuse Utility Fund.....	30
--------------------------	----

Summary of Non-budgeted Business Funds .....	31
--	----

Schedule 3: Summary of Receipts and Disbursements – Agency Funds .....	32
--	----

## **Other Information**

Schedule 4: Key Ratios of Financial Condition.....	33
--	----



REESE & NOVELLY, P.A.

Certified Public Accountants

Rick I. Reese, CPA  
Nicholas J. Novelly, CPA  
Carol E. McCullough, CPA

## INDEPENDENT AUDITOR'S REPORT

The Mayor and City Commission  
City of St. Marys, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of St. Marys, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note A of the financial statement, the financial statement is prepared by the City of St. Marys, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of St. Marys, Kansas, as of December 31, 2017 or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of St. Marys, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

**Other Matters**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The other information reported in Schedule 4, as listed in the table of contents, is not part of the basic financial statement and is not required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

*Reese & Novelly, P.A.*

St. Marys, Kansas  
October 2, 2018

**FINANCIAL STATEMENT  
AND NOTE DISCLOSURES**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds:</b>							
General	\$ 499,738	\$	\$ 1,144,670	\$ 1,185,964	\$ 458,444	\$ 19,023	\$ 477,467
<b>Bond and Interest Funds:</b>							
Bond and Interest	56,714		42,462	43,750	55,426		55,426
<b>Special Purpose Funds:</b>							
Special Highway	64,108		81,958	105,233	40,833	1,917	42,750
Special Parks and Recreation	19,662		33,258	35,425	17,495	254	17,749
Fire Equipment	279,230		84,763	84,512	279,481		279,481
County Sales Tax	547,863		435,748	746,428	237,183	120,031	357,214
Police Capital Improvement	64,578		62,003	45,129	81,452		81,452
Facilities Capital Improvement	3,184		1,775		4,959		4,959
<b>TOTAL SPECIAL PURPOSE</b>	<b>978,625</b>		<b>699,505</b>	<b>1,016,727</b>	<b>661,403</b>	<b>122,202</b>	<b>783,605</b>

The notes to the financial statement are an integral part of this statement.

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable		
Business Funds:								
Electric Utility	881,460		2,260,905	2,940,812	201,553	123,242		324,795
Water Utility	146,872		304,771	305,220	146,423	346		146,769
Sewer Service	393,143		461,480	582,419	272,204	49,100		321,304
Sewer Debt Service Reserve	53		233,364	233,417	-			-
Golf Course	5,931		119,971	124,928	974	144		1,118
Refuse Utility	59,483		240,602	255,809	44,276	5,985		50,261
Refuse Capital Improvement	42,237		116	37,143	5,210			5,210
Electric Capital Improvement	4,864				4,864			4,864
<b>TOTAL BUSINESS FUNDS</b>	<b>1,534,043</b>		<b>3,621,209</b>	<b>4,479,748</b>	<b>675,504</b>	<b>178,817</b>		<b>854,321</b>
<b>TOTAL REPORTING ENTITY</b>	<b>\$ 3,069,120</b>	<b>\$ -</b>	<b>\$ 5,507,846</b>	<b>\$ 6,726,189</b>	<b>\$ 1,850,777</b>	<b>\$ 320,042</b>	<b>\$</b>	<b>\$ 2,170,819</b>

The notes to the financial statement are an integral part of this statement.

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

Composition of Cash:	
Checking accounts	\$ 235,647
Money market accounts	1,029,854
Certificates of deposit	949,461
Municipal court	15
	<hr/>
	2,214,977
	<hr/>
	(44,158)
	<hr/>
	\$ 2,170,819
	<hr/>
	<hr/>

TOTAL CASH

Less Agency Funds (per Schedule 3)

TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)



## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

#### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of St. Marys, Kansas (Municipality) was chartered October 9, 1869, and operates under a Commission-Manager form of government. The accounting policies of the Municipality conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the City of St. Marys, Kansas is comprised of the primary government (the Municipality). There are no related municipal entities.
2. Regulatory Basis Fund Types: The accounts of the Municipality are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its cash, liabilities, fund balance, receipts, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into generic regulatory basis fund types and broad fund categories as follows:

##### *Governmental Funds*

The General Fund is the chief operating fund of the Municipality. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds are used to account for the accumulation of resources, including tax levies, transfer from other funds and payment of general long-term debt.

Capital Projects Funds are used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

##### *Business Funds*

Business Funds are funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

# NOTES TO FINANCIAL STATEMENT

## CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

### *Trust and Agency Funds*

Trust Funds are used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds are used to account for assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America: The municipal reporting entity prepares the financial statement using *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting, which is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

The *KMAAG* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The *KMAAG* regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflow or outflows, other than those mentioned above.

The Municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
  - a. Preparation of the budget for the succeeding calendar year on or before August 1.
  - b. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
  - c. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
  - d. Adoption of the final budget on or before August 25.

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose and business funds:

*Special Purpose Funds:* Police Capital Improvement; Facilities Capital Improvement

*Business Funds:* Refuse Capital Improvement, Electric Capital Improvement

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the Municipality and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as receipts in the bond and interest fund.
6. Cash and Investments: The Municipality uses an internally pooled cash system in which the cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments, unless specifically designated, are allocated to the general fund and the utility funds based upon their average cash balances. Investments are stated at cost, which approximates market.

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

7. Reimbursements: The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the reimbursement is recorded as a qualifying budget credit in the fund receiving the reimbursement.
8. Property Tax: The Pottawatomie County Clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to, and prepares tax statement for, the County Treasurer who receives payment.

Taxes levied to finance the budget are made available to the Municipality after January 1 and are distributed by the County Treasurer per statutes. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

9. Other Related Municipal Entities (excluded from municipal financial reporting entity): The Municipality's Commission is also responsible for appointing the members of the board of the St. Marys Housing Authority. However, the Municipality's accountability for this organization does not extend beyond making the appointments and the Municipality's Commission makes no appropriations to the Authority.

#### NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Amendments to Legal Budgets: The legal budgets for the Electric Fund and Sewer Fund were amended during 2017.
2. Compliance – The City's 2017 approved budget showed indebtedness in the County Sales Tax Fund, which is a violation of K.S.A. 79-2935.

#### NOTE C – DEPOSITS AND INVESTMENTS

As of December 31, 2017, the Municipality's investments consisted of short-term certificates of deposit.

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

#### DECEMBER 31, 2017

investment choices. The Municipality had no investments other than certificates of deposit, which are included in the bank deposits; therefore they do not have a rating.

*Concentration of credit risk:* State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federally depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality had no agreements for designated "peak periods." All deposits were legally secured at December 31, 2017.

At December 31, 2017, the carrying amount of the Municipality's deposits, including certificates of deposit, was \$2,214,977 and the bank balance was \$2,231,640. The bank balance was held by two banks which resulted in a concentration of credit risk. Of the bank balance, \$752,326 was covered by federal depository insurance and \$1,479,314 was collateralized with securities held by the pledging financial institutions' agents in the Municipality's name.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### NOTE D—LONG TERM DEBT

The following is a summary of debt transactions of the Municipality for the year ended December 31, 2017. See Notes M and N for the schedules of long-term liabilities and current maturities of long-term debt.

	Beginning of Year	Issued	Retired	End of Year
General Obligation Bonds	\$ 115,000	\$	\$ 40,000	\$ 75,000
Revolving Notes	1,543,390		219,635	1,323,755
Total	<u>\$ 1,658,390</u>	<u>\$</u>	<u>\$ 259,635</u>	<u>\$ 1,398,755</u>

Total interest expense for the year was \$55,791.

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

#### Conduit Debt

From time to time, the Municipality has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are generally payable from and secured by the project financed and if needed, additional assets and/or revenues of the

private-sector entity served by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Municipality, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of December 31, 2017, there was one series of industrial revenue bond outstanding. The aggregate principal amount payable at December 31, 2017 could not be determined; however, the original issue amount totaled \$2 million.

#### **NOTE E—DEFINED BENEFIT PENSION PLAN**

##### General Information about the Pension Plan

*Plan Description:* The City of St. Marys, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions:* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program)

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

#### DECEMBER 31, 2017

and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from City of St. Marys, Kansas were \$82,568 for the year ended December 31, 2017.

#### Net Pension Liability

At December 31, 2017, the City of St. Marys, Kansas proportionate share of the collective net pension liability reported by KPERS was \$806,804. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Municipality's proportion of the net pension liability was based on the ratio of the Municipality's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

#### **NOTE F—DEFERRED COMPENSATION**

The City of St. Marys, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). All employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions, but annually determines whether matching funds will be paid into the employees' accounts. For the year ended December 31, 2017, the City paid \$10,080 in matching contributions.

The Municipality is not responsible for any loss incurred by an employee under the Municipality's deferred compensation plan. All conditions of the plan shall be controlling.

#### **NOTE G—OTHER POST EMPLOYMENT BENEFIT**

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

## NOTES TO FINANCIAL STATEMENT

### CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

#### NOTE H—COMPENSATED ABSENCES

The Municipality maintains a policy of providing vacation and sick leave to its full-time employees, granted in varying amounts depending on length of service and date of hire. Vacation days are vesting and accumulate but accumulation is subject to various limits. Sick leave is non-vesting and accumulates up to a maximum of 720 hours for employees hired after January 1, 2005. Employees hired prior to January 1, 2005 have unlimited accumulation of sick leave. At December 31, 2017, the Municipality's liability for unused vacation time is approximately \$59,035 attributable to governmental and proprietary funds.

#### NOTE I—COMMITMENTS AND CONTINGENCIES

Construction Contracts: At December 31, 2017, the Municipality had several pending construction project contracts. Commitments related to significant contracts include contracts for the Municipality's street improvements.

Risk Management: The Municipality is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Municipality manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are \$1,000 or less. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

#### NOTE J—CAPITAL PROJECTS

Capital project authorizations with approved changed orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures To Date
Electric Substation	\$ 626,762	\$ 625,317
Streetlight Project	404,439	404,439
Palmer Street Water Line	95,358	95,358
Total	<u>\$ 1,126,559</u>	<u>\$ 1,125,114</u>



# NOTES TO FINANCIAL STATEMENT

## CITY OF ST. MARYS, KANSAS

DECEMBER 31, 2017

### NOTE K—TRANSFERS

Operating transfers were as follows:

<u>FROM</u>	<u>TO</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Police Capital Imp.	K.S.A. 12-1, 118	\$ 60,143
County Sales Tax	General Fund	Ord. 1175	179,878
County Sales Tax	Golf Course	Ord. 1175	26,564
County Sales Tax	Special Highway	Ord. 1175	10,000
Refuse Capital Imp.	General Fund	Commission	37,143
Sewer Service	Sewer Debt Service	K.S.A. 12-631o	233,364
Golf Course	Bond & Interest	Commission	2,142
			<u>\$ 549,234</u>

### NOTE L—MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

In preparing this financial statement, the Municipality has evaluated events and transactions for potential recognition or disclosure through October 2, 2018, the date of the financial statement was available to be issued.

NOTES TO FINANCIAL STATEMENT

CITY OF ST. MARYS, KANSAS

NOTE M - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long term debt for the City for the year ended December 31, 2017

	Interest Rate	Date of Issue	Original Amount	Date of Final Maturity	Beginning Balance	Issued	Retired	Net Change	Ending Balance	Interest Paid
General Obligation Bonds										
Series 2011 Refinance	1.0/3.40%	2/16/2011	\$ 375,000	10/1/2019	\$ 115,000	\$ -	\$ 40,000	\$ (40,000)	\$ 75,000	\$ 3,750
TOTAL GENERAL OBLIGATION BONDS			<u>375,000</u>		<u>115,000</u>	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>75,000</u>	<u>3,750</u>
KDHE Revolving Loan										
Wastewater Treatment Plant	3.49%	8/22/2000	3,385,268	3/1/2022	1,158,956		194,653	(194,653)	964,303	38,764
Water Supply	3.51%	2/13/2008	546,673	2/1/2029	384,434		24,982	(24,982)	359,452	13,277
TOTAL REVOLVING LOANS			<u>3,931,941</u>		<u>1,543,390</u>		<u>219,635</u>	<u>(219,635)</u>	<u>1,323,755</u>	<u>52,041</u>
TOTAL INDEBTEDNESS			<u>\$ 4,306,941</u>		<u>\$ 1,658,390</u>	<u>\$ -</u>	<u>\$ 259,635</u>	<u>\$ (259,635)</u>	<u>\$ 1,398,755</u>	<u>\$ 55,791</u>

# NOTES TO FINANCIAL STATEMENT

## CITY OF ST. MARYS, KANSAS

### NOTE N: SCHEDULE OF MATURITY OF LONG TERM DEBT

The current maturities of long term debt and interest for the next five years and in five year increments through maturity is as follows:

	2018	2019	2020	2021	2022	2023-2027	2028-2032	Total
<b>PRINCIPAL</b>								
General obligation bonds	\$ 40,000	\$ 35,000	\$	\$	\$	\$	\$	\$ 75,000
Revolving loans	227,372	235,382	243,675	252,259	144,436	165,201	55,430	1,323,755
<b>TOTAL PRINCIPAL</b>	<b>267,372</b>	<b>270,382</b>	<b>243,675</b>	<b>252,259</b>	<b>144,436</b>	<b>165,201</b>	<b>55,430</b>	<b>1,398,755</b>
<b>INTEREST</b>								
General obligation bonds	2,490	1,190						3,680
Revolving loans	44,303	36,293	28,002	19,417	10,531	26,090	1,958	166,594
<b>TOTAL INTEREST</b>	<b>46,793</b>	<b>37,483</b>	<b>28,002</b>	<b>19,417</b>	<b>10,531</b>	<b>26,090</b>	<b>1,958</b>	<b>170,274</b>
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 314,165</b>	<b>\$ 307,865</b>	<b>\$ 271,677</b>	<b>\$ 271,676</b>	<b>\$ 154,967</b>	<b>\$ 191,291</b>	<b>\$ 57,388</b>	<b>\$ 1,569,029</b>

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL  
BUDGETED FUNDS ONLY (SCHEDULE 1)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Certified Budget (As Amended)	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Favorable (Unfavorable) Variance
General Funds:					
General	\$ 1,282,313	\$	\$ 1,282,313	\$ 1,185,964	\$ 96,349
Bond and Interest Funds:					
Bond and Interest	105,632		105,632	43,750	61,882
Special Purpose Funds:					
Special Highway	154,279		154,279	105,233	49,046
Special Park and Recreation	40,219		40,219	35,425	4,794
Fire Equipment	360,139		360,139	84,512	275,627
County Sales Tax	750,279		750,279	746,428	3,851
Business Funds:					
Electric Utility	3,150,000		3,150,000	2,940,812	209,188
Water Utility	370,215		370,215	305,220	64,995
Sewer Service	650,000		650,000	582,419	67,581
Sewer Debt Service	233,417		233,417	233,417	-
Golf Course	156,739		156,739	124,928	31,811
Refuse Utility	267,589		267,589	255,809	11,780

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 463,673	\$ 471,785	\$ 8,112
Intergovernmental revenue	12,329	11,536	(793)
Sales tax	270,000	342,936	72,936
Fines, forfeitures, and penalties	12,500	19,135	6,635
Licenses, permits, and fees	29,680	31,788	2,108
Charges for services	21,500	18,732	(2,768)
Use of money and property	13,850	27,030	13,180
Reimbursements and grants	7,000		(7,000)
Miscellaneous	3,625	4,707	1,082
Operating transfers	217,021	217,021	-
<b>TOTAL CASH RECEIPTS</b>	<b>1,051,178</b>	<b>1,144,670</b>	<b>93,492</b>
Expenditures:			
Personnel expenditures	816,318	773,495	42,823
General	71,611	76,145	(4,534)
Public safety	129,928	101,487	28,441
Municipal court	6,710	8,518	(1,808)
Street department	172,202	146,500	25,702
Public buildings and grounds	10,000	4,121	5,879
Swimming pool	15,401	15,555	(154)
Operating transfers	60,143	60,143	-
<b>TOTAL EXPENDITURES</b>	<b>1,282,313</b>	<b>1,185,964</b>	<b>96,349</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(231,135)</b>	<b>(41,294)</b>	
Beginning Unencumbered Cash Balance	231,135	499,738	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 458,444</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - BOND & INTEREST  
BOND AND INTEREST FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 44,950	\$ 40,320	\$ (4,630)
Operating transfers	2,142	2,142	-
TOTAL CASH RECEIPTS	47,092	42,462	(4,630)
Expenditures:			
Contractual services and other charges	4		4
Materials and supplies	61,878		61,878
Debt payments:			
Principal	40,000	40,000	-
Interest	3,750	3,750	-
TOTAL EXPENDITURES	105,632	43,750	61,882
RECEIPTS OVER (UNDER) EXPENDITURES	(58,540)	(1,288)	
Beginning Unencumbered Cash Balance	58,540	56,714	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 55,426	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SPECIAL HIGHWAY  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 69,140	\$ 71,002	\$ 1,862
Miscellaneous		956	956
Operating transfers	35,000	10,000	(25,000)
TOTAL CASH RECEIPTS	104,140	81,958	(22,182)
Expenditures:			
Contractual services and other charges	9,000	3,151	5,849
Materials and supplies	145,279	101,680	43,599
Capital outlay		402	(402)
TOTAL EXPENDITURES	154,279	105,233	49,046
RECEIPTS OVER (UNDER) EXPENDITURES	(50,139)	(23,275)	
Beginning Unencumbered Cash Balance	50,139	64,108	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 40,833	

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SPECIAL PARKS AND RECREATION  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 12,199	\$ 11,698	\$ (501)
Charges for services	21,000	19,305	(1,695)
Use of money and property	1,000	2,005	1,005
Contract revenue		250	250
<b>TOTAL CASH RECEIPTS</b>	<b>34,199</b>	<b>33,258</b>	<b>(941)</b>
Expenditures:			
Personnel expenditures	18,939	14,120	4,819
Contractual services and other charges	11,580	12,710	(1,130)
Materials and supplies	9,700	8,550	1,150
Miscellaneous		45	(45)
<b>TOTAL EXPENDITURES</b>	<b>40,219</b>	<b>35,425</b>	<b>4,794</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(6,020)</b>	<b>(2,167)</b>	
Beginning Unencumbered Cash Balance	6,020	19,662	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 17,495</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - FIRE EQUIPMENT  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Miscellaneous	\$	\$ 420	\$ 420
Contract revenue	76,000	84,343	8,343
<b>TOTAL CASH RECEIPTS</b>	<b>76,000</b>	<b>84,763</b>	<b>8,763</b>
Expenditures:			
Materials and supplies	15,000		15,000
Capital outlay	345,139	84,512	260,627
<b>TOTAL EXPENDITURES</b>	<b>360,139</b>	<b>84,512</b>	<b>275,627</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(284,139)</b>	<b>251</b>	
Beginning Unencumbered Cash Balance	284,139	279,230	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 279,481</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - COUNTY SALES TAX  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenues	\$ 380,000	\$ 374,580	\$ (5,420)
Use of money and property		1,083	1,083
Miscellaneous		60,085	60,085
TOTAL CASH RECEIPTS	380,000	435,748	55,748
Expenditures:			
Contractual services and other charges		83	(83)
Capital outlay	508,837	528,353	(19,516)
Miscellaneous		1,550	(1,550)
Operating transfers	241,442	216,442	25,000
TOTAL EXPENDITURES	750,279	746,428	3,851
RECEIPTS OVER (UNDER) EXPENDITURES	(370,279)	(310,680)	
Beginning Unencumbered Cash Balance	280,402	547,863	
ENDING UNENCUMBERED CASH BALANCE	\$ (89,877)	\$ 237,183	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
SUMMARY OF NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	<u>Police Capital Improvement</u>	<u>Facilities Capital Improvement</u>
Cash Receipts:		
Licenses, permits, and fees	\$ 496	\$
Use of money and property		1,775
Miscellaneous	1,364	
Operating transfers	60,143	
	<u>62,003</u>	<u>1,775</u>
<b>TOTAL CASH RECEIPTS</b>	<u>62,003</u>	<u>1,775</u>
Expenditures:		
Capital outlay	45,129	
	<u>45,129</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>45,129</u>	<u>-</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	16,874	1,775
Beginning Unencumbered Cash Balance	64,578	3,184
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<u>\$ 81,452</u>	<u>\$ 4,959</u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - ELECTRIC UTILITY  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 2,105,000	\$ 2,244,815	\$ 139,815
Use of money and property	5,150	9,567	4,417
Miscellaneous	4,200	4,211	11
Contract revenue	1,812	2,312	500
<b>TOTAL CASH RECEIPTS</b>	<b>2,116,162</b>	<b>2,260,905</b>	<b>144,743</b>
Expenditures:			
Personnel expenditures	362,164	320,882	41,282
Contractual services and other charges	764,286	413,956	350,330
Materials and supplies	1,538,500	1,586,865	(48,365)
Capital outlay	60,000	618,893	(558,893)
Miscellaneous	50	216	(166)
Operating transfers	425,000		425,000
<b>TOTAL EXPENDITURES</b>	<b>3,150,000</b>	<b>2,940,812</b>	<b>209,188</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(1,033,838)</b>	<b>(679,907)</b>	
Beginning Unencumbered Cash Balance	1,115,326	881,460	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 81,488</b>	<b>\$ 201,553</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - WATER UTILITY  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 289,750	\$ 294,417	\$ 4,667
Use of money and property	1,140	3,549	2,409
Miscellaneous	5,000	6,805	1,805
<b>TOTAL CASH RECEIPTS</b>	<b>295,890</b>	<b>304,771</b>	<b>8,881</b>
Expenditures:			
Personnel expenditures	216,471	153,739	62,732
Contractual services and other charges	69,475	93,207	(23,732)
Materials and supplies	13,000	19,983	(6,983)
Capital outlay	33,000		33,000
Miscellaneous	10	32	(22)
Debt payments:			
Principal	24,982	24,982	-
Interest	13,277	13,277	-
<b>TOTAL EXPENDITURES</b>	<b>370,215</b>	<b>305,220</b>	<b>64,995</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(74,325)</b>	<b>(449)</b>	
Beginning Unencumbered Cash Balance	128,988	146,872	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 54,663</b>	<b>\$ 146,423</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SEWER SERVICE  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 466,400	\$ 459,038	\$ (7,362)
Use of money and property	100	2,030	1,930
Miscellaneous		412	412
<b>TOTAL CASH RECEIPTS</b>	<b>466,500</b>	<b>461,480</b>	<b>(5,020)</b>
Expenditures:			
Personnel expenditures	208,314	179,087	29,227
Contractual services and other charges	70,722	67,974	2,748
Materials and supplies	82,547	16,841	65,706
Capital outlay	55,000	85,100	(30,100)
Miscellaneous		53	(53)
Operating transfers	233,417	233,364	53
<b>TOTAL EXPENDITURES</b>	<b>650,000</b>	<b>582,419</b>	<b>67,581</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(183,500)</b>	<b>(120,939)</b>	
Beginning Unencumbered Cash Balance	513,736	393,143	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 330,236</b>	<b>\$ 272,204</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SEWER DEBT SERVICE RESERVE  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Operating transfers	\$ 233,417	\$ 233,364	\$ (53)
Expenditures:			
Debt payments:			
Principal	194,653	194,653	-
Interest	38,764	38,764	-
TOTAL EXPENDITURES	233,417	233,417	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	(53)	
Beginning Unencumbered Cash Balance	11	53	
ENDING UNENCUMBERED CASH BALANCE	\$ 11	\$ -	

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - GOLF COURSE  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 106,415	\$ 65,861	\$ (40,554)
Use of money and property	26,000	19,992	(6,008)
Reimbursements and grants	2,500		(2,500)
Miscellaneous	3,500	3,054	(446)
Contract revenue	4,500	4,500	-
Operating transfers	26,564	26,564	-
<b>TOTAL CASH RECEIPTS</b>	<b>169,479</b>	<b>119,971</b>	<b>(49,508)</b>
Expenditures:			
Personnel expenditures	123,888	65,979	57,909
Contractual services and other charges	15,235	23,958	(8,723)
Materials and supplies	9,000	21,961	(12,961)
Capital outlay	4,949	5,917	(968)
Miscellaneous	1,525	4,971	(3,446)
Operating transfers	2,142	2,142	-
<b>TOTAL EXPENDITURES</b>	<b>156,739</b>	<b>124,928</b>	<b>31,811</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>12,740</b>	<b>(4,957)</b>	
Beginning Unencumbered Cash Balance	4,987	5,931	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 17,727</b>	<b>\$ 974</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - REFUSE UTILITY  
BUSINESS FUND - (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses, permits, and fees	\$ 10,500	\$ 8,180	\$ (2,320)
Charges for services	224,600	226,551	1,951
Miscellaneous	3,000	5,871	2,871
<b>TOTAL CASH RECEIPTS</b>	<b>238,100</b>	<b>240,602</b>	<b>2,502</b>
Expenditures:			
Personnel expenditures	154,440	152,775	1,665
Contractual services and other charges	87,746	90,880	(3,134)
Materials and supplies	12,500	11,346	1,154
Capital outlay		808	(808)
Operating transfers	12,903		12,903
<b>TOTAL EXPENDITURES</b>	<b>267,589</b>	<b>255,809</b>	<b>11,780</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(29,489)</b>	<b>(15,207)</b>	
Beginning Unencumbered Cash Balance	32,028	59,483	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 2,539</b>	<b>\$ 44,276</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
SUMMARY OF NON-BUDGETED BUSINESS FUNDS (SCHEDULE 2)**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

	Refuse Capital <u>Improvement</u>	Electric Capital <u>Improvement</u>
Cash Receipts:		
Use of money and property	<u>\$        116</u>	<u>\$                  </u>
Expenditures:		
Operating transfers	<u>37,143</u>	<u>                  </u>
RECEIPTS OVER (UNDER) EXPENDITURES	(37,027)	-
Beginning Unencumbered Cash Balance	<u>42,237</u>	<u>4,864</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$      5,210</u></u>	<u><u>\$      4,864</u></u>

See independent auditor's report.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS**  
**REGULATORY BASIS**  
**AGENCY FUNDS (SCHEDULE 3)**

**CITY OF ST. MARYS, KANSAS**

**For the Year Ended December 31, 2017**

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Trust and agency:				
Municipal Court ADSAP	\$ 15	\$	\$	\$ 15
Municipal Court		22,535	22,535	-
Customer deposits	49,115	27,570	32,542	44,143
<b>TOTAL</b>	<u>\$ 49,130</u>	<u>\$ 50,105</u>	<u>\$ 55,077</u>	<u>\$ 44,158</u>

See independent auditor's report.

## **OTHER INFORMATION**

**SCHEDULE 4: KEY RATIOS OF FINANCIAL CONDITION  
GOVERNMENTAL FUNDS ONLY**

**CITY OF ST. MARYS, KANSAS**

**Year Ended December 31, 2017**

Ratio	2017	2016	2015
<b>1. Total Revenue Per Capita:</b> Compares existing revenue base for all governmental funds (excluding capital project funds and transfers) relative to the population change.			
<u>Operating revenues</u>	1,597,331	1,605,989	1,518,795
<u>Population*</u>	3,003 \$ 532	2,936 \$ 547	2,871 \$ 529
<b>2. Intergovernmental Revenues / Total Revenue Percentage:</b> Shows how dependent a jurisdiction is on other units of government such as the state, national, or local units.			
<u>Total general fund intergovernmental revenues</u>	354,472	351,287	311,065
<u>Total general fund sources</u>	1,144,670 31.0%	1,139,438 30.8%	1,057,579 29.4%
<b>3. Property Tax or Own Source Tax Revenue / Total Revenue Percentage:</b> Shows how dependent a jurisdiction is on tax revenues for its general fund operations.			
<u>General fund tax revenue</u>	490,920	476,896	488,168
<u>Total general fund sources</u>	1,144,670 42.9%	1,139,438 41.9%	1,057,579 46.2%
<b>4. General fund sources from other funds / Total Revenue:</b> Shows how dependent a jurisdiction is on operating transfers into the General Fund.			
<u>General fund sources from other funds</u>	217,021	183,250	165,000
<u>Total general fund sources</u>	1,144,670 19.0%	1,139,438 16.1%	1,057,579 15.6%
<b>5. Total Expenditures per Capita:</b> Compares expenditures for all governmental funds (excluding capital project funds and transfers) to population changes.			
<u>Operating expenditures</u>	1,932,713	1,532,955	1,416,450
<u>Population*</u>	3,003 \$ 644	2,936 \$ 522	2,871 \$ 493
<b>6. Operating Expenses / Total Expenditures:</b> Operating expenditures are the total expenditures for general, special purpose, and debt service funds (excluding transfers). Total expenditures is total expenditures of all government funds.			
<u>Operating expenditures</u>	1,932,713	1,532,955	1,416,450
<u>Total expenditures</u>	2,246,441 86.0%	1,864,348 82.2%	1,665,950 85.0%

See independent auditor's report.

SCHEDULE 4: KEY RATIOS OF FINANCIAL CONDITION  
GOVERNMENTAL FUNDS ONLY

CITY OF ST. MARYS, KANSAS

Year Ended December 31, 2017

Ratio	2017	2016	2015
7. Total Revenues / Total Expenditures: Total revenues for all governmental funds and total expenditures for all governmental funds.			
<u>Total revenues</u>	1,886,637	1,909,524	1,755,407
<u>Total expenditures</u>	2,246,441	1,864,348	1,665,950
	0.840	1.024	1.054
8. Operating Surplus (deficit) / Operating Revenues Percentage: Reflects the results of the general fund operations.			
<u>General fund receipts over (under) expenditures</u>	-41,294	61,279	16,779
<u>General fund revenue</u>	1,144,670	1,139,438	1,057,579
	-3.61%	5.38%	1.59%
9. General Fund Balance / General Fund Revenues Percentage: Measures a jurisdictions capacity to withstand financial emergencies.			
<u>General fund Unencumbered Cash Balance</u>	458,444	499,738	438,460
<u>Total general fund revenues</u>	1,144,670	1,139,438	1,057,579
	40.05%	43.86%	41.46%
10. General Obligation Debt / Population: Full faith and credit debt of the jurisdiction divided by the population.			
<u>General obligation debt</u>	115,000	155,000	195,000
<u>Population*</u>	3,003	2,936	2,871
	\$ 38	\$ 53	\$ 68
11. General Obligation Debt / Assessed Value Percentage: Full faith and credit debt of the jurisdiction divided by the assessed value.			
<u>General obligation debt</u>	115,000	155,000	195,000
<u>Assessed Value (per budget)</u>	16,602,649	16,282,476	15,584,369
	0.69%	0.95%	1.25%
12. Debt service / Operating Revenues Percentage: Measures the level of debt service to total governmental fund revenues (excluding capital projects and transfers).			
<u>Debt service</u>	43,750	44,950	45,990
<u>Operating revenues</u>	1,597,331	1,605,989	1,518,795
	2.74%	2.80%	3.03%

\* Based on 2010 census, average increase per year from 2000 census to 2010 was 2.27% for the City. County wide the population increased 1.86% per year and 6.13% per year statewide.

See independent auditor's report.